GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1098
ANSWERED ON:23.11.2007
REVENUE DEFICIT AND FISCAL LIABILITY
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

(a) the reasons for increase in the revenue deficit, the factors contributing it and the action taken thereon;

(b) the present status of fiscal liability of Union Government;

(c) the reason for its increase despite the provisions of Fiscal Responsibility and Budget Management Act (FRBM) and Rules made thereunder; and

(d) the steps taken to bring down the fiscal liability?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a to d): The revenue and fiscal deficit during 2007-08 are budgeted to be brought down from 2.0% (RE 2006-07) to 1.5% of GDP and from 3.7% (RE2006-07) to 3.3% of the GDP respectively, and are in consonance with the FRBM road map as reflected under the Medium Term Fiscal Policy Strategy Statement laid in Parliament. Notwithstanding the inherent inflexibility in non-plan expenditure, covering items which are obligatory in nature like defence, interest payments, pensions, major subsidies, transfer to States and Union Territories and internal security, Government is committed to be on course to achieve the FRBM mandated targets by 2008-09.